adversely on the not-so-conducive investment climate in India, ranking India far below China in stability, growth and policies;

(b) whether Government have also seen a report (Economic Times : 10th April, 1993) on Hong-Kong based, business tycoon of Indian origin, Mr. Harilela's statement on China's highpitch campaign beamed towards Hong-Kong based Indian business community for possible investment in China; and

(c) whether Government have made any introspection to identify the reasons that the overseas investors are still shy to enter Indian market ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) Yes, Sir.

(b) Yes, Sir.

(c) Yes, Sir. Foreign investment flows are best attracted by economic growth and expansion, alongwith right signals of stability and irreversibility of the reforms process, and removal of legal difficulties for foreign investors.

Release of Additional Funds for Agricultural Sector

894. SHRI RAM NARESH YADAV : Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India propose to release additional funds for the Agricultural Sector;

(b) if so, what are the details thereof; and

(c) what is the rate of interest to be charged on the loans ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) and (b) The National Bank for Agriculture and Rural Development (NABARD) is providing short-term credit limits to co-operatives and Regional Rural Banks for financing seasonal agricultural operations, from out of General Line of Credit (GLC) provided by Reserve Bank of India (RBI). In view of increasing demand for such loans NABARD has sought enhanced limit of GLC from Reserve Bank of India. RBI had accordingly sanctioned Rs. 400 crores in January 1993 enhancing the GLC limit sanctioned for 1992-93 at Rs. 2700 crores to Rs. 3100 crores.

(c) Borrowings of NABARD from above limit provided by RBI carries interest at the same rate at which NABARD charges interest on its lending for the Co-operatives and Regional Rural Banks. NABARD is charging interest ranging between 3 per cent and 6.5 per cent to the State Co-operative Banks|Central Co-operatives Banks depending upon the level of dependence of the institutions on NABARD's refinance. The credit to Regional Rural Banks is provided at 5 per cent per annum.

Connivance of Officers of DRI and Customs in the smuggling of Explosives

895. SHRI JAGDISH PRASAD MATHUR : Will the Minister of FINANCE be pleased to state :

(a) whether Government have ordered any enquiry to find out the connivance or dereliction of duty by officers of DRI and Customs due to which huge quantities of explosives could be smuggled in Bombay and other areas on the West Coast;

(b) if so, what is the outcome thereof; and the action taken against the guilty officials; and

(c) if the answer to part (a) above be in the negative, what are the reasons thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) Government has taken steps for an enquiry to find out the connivance or dereliction of duty, if any, by officers of DRI and Customs which resulted in smuggling of explosives in Bombay and in areas near Bombay. No enquiry has been ordered in respect of other areas on West Coast.

(b) Based on Police reports who are investigating same charges against officers of DRI and Customs, 11 officers have been suspended. Some officers have also been detained under TADA. It will take sometime before facts can be known with certainty as the matter is under investigation.

(c) Not applicable in view of (a) & (b) above.

896. [Transferred to 12th May, 1993]

Difference in Sales Tax on Maruti Vehicles

897. SHRI SATYA PRAKASH MALAVIYA :

SHRI DIGVIJAY SINGH :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Maruti Udyog Limited and its dealers in the Capital charging Haryana Sales Tax on vehicles which were actually sold in Delhi thereby depriving the Delhi Administration of Sales Tax revenue ;

(b) if so, whether any demand in this regard has been raised by the Delhi Administration to recover the difference in the Sales Tax on Maruti vehicles;

(c) if so, what are the details thereof ; and

(d) what action has been taken by Government for the charging of Haryana Sales Tax on Maruti Vehicles which were actually sold in Delhi ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE, (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) Yes, Sir.

(b) Yes, Sir.

(c) An additional demand of Rs. 23,77,22,009/- has been created.

(d) (i) An enquiry was conducted under section 41 of the Delhi Sales Tax Act, 1975 to determine situs of the sale of Maruti vehicles which were being sold on paper from Delhi for the customers of National Capital Territory of Delhi, and after giving a fair opportunity to the 8 Maruti dealers, situs of such sales was determined by the Assessing Authorities in the National Capital Territory of Delhi.

(ii) Thereafter, assessments of all the 8 Maruti dealers were completed for the assessment years 1988-89 to 1991-92 by the Assessing Authorities creating an additional demand of Rs. 23,77,22,009/- under both the Delhi Sales Tax Act, 1975 and Central Sales Tax Act, 1956.

Committee for Restructuring Insurance Sector

898. SHRI V. NARAYANASWAMY : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Government appointed the R. N. Malhotra Committee for restructuring the insurance sector in the country ;

(b) if so, what are the terms and conditions of the said Committee; and